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USDOC FOR 532/OEA/MHAMES/MCANNER
USDOC FOR 3132 FOR FCS/OIO REGIONAL DIRECTOR PATRICK SANTILLO
BICE FOR OFFICE OF STRATEGIC INVESTIGATIONS

SIPDIS

E.O. 12958: N/A

TAGS: [BMGT](#) [BEXP](#) [HK](#) [ETRD](#) [ETTC](#)

SUBJECT: EXTRANCHECK: POST SHIPMENT VERIFICATION: SUNFLY ELECTRONICS
(HK) LIMITED

REF: A) BIS e-mail request dated March 17, 2009

11. Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

12. As per reftel A request and at the direction of the Office of Enforcement Analysis (OEA) of the USDOC Bureau of Industry and Security (BIS), Export Control Officer Philip Ankel (ECO) attempted to conduct a post shipment verification (PSV) at Sunfly Electronics (HK) Limited, Flat L, 11/F, Phase 3, Kwun Tong Industrial Centre, 448-458 Kwun Tong Road, Hong Kong (Sunfly). The items in question for this PSV are various microprocessors exported to Sunfly on or about January 20, 2009. On the applicable shippers export declaration (SED), these items are not classified meaning that they are likely EAR99 and eligible for shipment to virtually all destinations and end-uses/users worldwide. The exporter was Mitronics, Inc. of East Rutherford, New Jersey.

13. According to the Hong Kong Companies Registry, Sunfly has been in existence since May 2008. The company has no paid up share capital. The Hong Kong Companies Registry lists Ji, Fang (likely a mainland national), as director but does not include a passport number or other identification.

14. According to the company's web site (www.Sunflyele.com), Sunfly is an independent distributor of electronic components.

15. Commercial Assistant, Carrie Chan, attempted for some time to arrange a meeting with the company. A person identifying herself only as Catrina (the contact person on the underlying invoices) provided multiple reasons why she and the company's director could not come to Hong Kong to meet. In particular, she stated that the company is registered in Hong Kong but has its operations in Shenzhen. She further stated that neither she nor the company's director had permits to enter Hong Kong and this would take some time to obtain. Later, Catrina stated that her director had the flu and was under observation at the hospital. Given the time that has passed and the delay in arranging this EUC, ECO does not believe that the company is willing to meet. If that changes, ECO will update this cable.

16. Catrina did provide documentation by fax confirming that the items had been received by Sunfly. She stated that the items were for stock and, as a result, Sunfly did not have any customer purchase order to share. ECO views it as unlikely that Sunfly ordered such a large number of these items for stock and has apparently not yet sold any of them.

17. Based on the information noted above, ECO believes that Sunfly most likely does not have any permanent Hong Kong presence and uses its Hong Kong address to receive shipments and correspond with international clients and suppliers. While there is no apparent export control violation associated with this shipment, ECO nonetheless does not believe Sunfly to be a suitable recipient of

controlled U.S. origin technology.